

AA
11-23-2004

CM
11/23

SEC

04019837

OMMISSION

49

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2004
Estimated average burden	hours per response..... 12.00

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

SEC FILE NUMBER
8- 46008

REPORT FOR THE PERIOD BEGINNING 10/01/03 AND ENDING 9/30/04
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: FIRST HEARTLAND CAPITAL, INC.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

1839 LAKE ST LOUIS BLVD

(No. and Street)

LAKE ST LOUIS

MO

63367

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

DAVID HOFF

636-625-0900

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

RICHARD W. SCHMIDT CPA, P.C.

(Name - if individual, state last, first, middle name)

11353 BRIERHALL CIRCLE

ST LOUIS

MO

63043

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

PROCESSED

NOV 26 2004

THOMSON
FINANCIAL

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, DAVID HOFF, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of FIRST HEARTLAND CAPITAL, INC. as of SEPTEMBER 30, 2004, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

David M Hoff
Signature
President
Title

Gail Louise Evans
Notary Public



GAIL LOUISE EVANS
St. Charles County
My Commission Expires
December 23, 2007

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

First Heartland Capital, Inc.

AUDITED FINANCIAL STATEMENTS

September 30, 2004

Prepared by:
Richard W. Schmidt CPA, P.C.
St. Louis, Missouri

First Heartland Capital, Inc.

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Financial Statements	
Balance Sheet	2
Statement of Income	3
Statement of Changes in Stockholders' Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6
Supplementary Information Pursuant to SEC Rule 17a-5	
Computation of Net Capital	10
Computation of Net Capital Requirement	11
Schedule of Aggregate Indebtedness	11
Reconciliation with Company's Computation	11
Report on Internal Accounting Control	12

RICHARD W. SCHMIDT CPA, P.C.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
First Heartland Capital, Inc.

I have audited the accompanying balance sheet of First Heartland Capital, Inc. as of September 30, 2004, and the related statements of income, changes in stockholders' equity and cash flows for the year then ended that you are filing pursuant to rule 17a-5 of the Securities Act of 1934. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of First Heartland Capital, Inc. as of September 30, 2004, and the results of their operations and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in pages 10 and 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 of the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Richard W. Schmidt CPA, P.C.

Richard W. Schmidt CPA, P.C.
St. Louis, Missouri
November 9, 2004

First Heartland Capital, Inc.

BALANCE SHEET

September 30, 2004

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	275,543
Concessions Receivable		594,846
Refundable income taxes		15,653
Prepaid Expenses		24,301
Total Current Assets		<u>910,343</u>

PROPERTY AND EQUIPMENT - at cost

Office Equipment and Computer Software	22,415
Less Accumulated Depreciation	<u>21,731</u>
	684

OTHER ASSETS

Deposits	<u>70,000</u>
	<u>70,000</u>

TOTAL ASSETS	\$	<u><u>981,027</u></u>
--------------	----	-----------------------

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts Payable	\$	42,668
Accrued Commissions		559,880
Accrued Income Taxes		0
Total Current Liabilities		<u>602,548</u>

STOCKHOLDERS' EQUITY

Common Stock, no par value, 30,000 shares authorized; 2,000 shares issued and outstanding	30,000
Additional Paid-in Capital	15,000
Retained Earnings	<u>333,479</u>
Total Stockholders' Equity	<u>378,479</u>

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	<u><u>981,027</u></u>
--	----	-----------------------

The accompanying notes are an integral part of this statement.

First Heartland Capital, Inc.

STATEMENT OF INCOME

For the Year Ended September 30, 2004

INCOME

Commission and Fee Income \$ 13,773,360.

OPERATING EXPENSES

Bank and Credit Card Charges	6,293
Clearing Fees	359,839
Commission Expense	11,259,282
Computer Expense	70,988
Depreciation	258
Dues and Subscriptions	1,360
Insurance	13
Licenses and Fees	35,989
Management Fees	2,062,073
Meeting Expense	4,399
Office Expense	59,945
Professional Fees	41,518
Research Expense	4,620
Taxes	228

Total Operating Expenses

13,906,805

INCOME (LOSS) FROM OPERATIONS

(133,445)

OTHER INCOME (EXPENSE)

Interest Income	6,000
Interest Expense	0
Miscellaneous	187,548

193,548

INCOME BEFORE INCOME TAXES

60,103

PROVISION FOR INCOME TAXES

15,147

NET INCOME

\$ 44,956

The accompanying notes are an integral part of this statement.